

My name is John J. Herlihy and I am the Director of Water Quality and Environmental Management for Aquarion Water Company. I am here today to provide comment on the proposed DEP streamflow regulations. Aquarion is the largest water company in the State serving approximately 580,000 people in 42 cities and towns in Fairfield, New Haven, Litchfield, Hartford, Middlesex and New London Counties. We operate 20 reservoirs and more than 25 wellfields throughout the State that will be potentially impacted by the proposed regulations. I will provide a brief overview of Aquarion's comments regarding the proposed regulations today, and we will also submit detailed written testimony to the Department prior to February 4th.

First, I would like to say that we at Aquarion take pride in our stewardship of the environment and take our responsibility for conservation and natural resource management very seriously. We recognize that the reservoirs and wellfields that we use to meet the public's water supply needs impact the quantity and variability of flow in the State's streams and that these impacts may affect the stream's ecology. Conversely, the thousands of watershed acres that we preserve and protect help maintain natural stream flow.

Public Act 05-142 which requires DEP to propose these new streamflow regulations also requires that the regulations provide for public health, public utilities and water supply. While DEP has done a commendable job considering these issues, our fundamental concern with the regulations is that they do not adequately provide for public water supply. Until a comprehensive analysis has been done of the public water supply impacts and in-stream benefits of the regulations how can we say that we have achieved balance or adequately provided for public water supply?

When setting drinking water standards EPA assesses the frequency and level of occurrence of a contaminant and compares the public health benefit gained by its proposed standard to the cost of achieving that standard. The same should be done with these streamflow regulations. The frequency and extent of streamflow impairment caused by dams and other diversion structures in the State should be similarly identified and the costs and benefits of the proposed standards should be quantified.

Aquarion has spent considerable time and money assessing the potential impact of the proposed regulations on the 26 public water supply systems that we operate. Our analyses show that 10 to 30 percent of our reservoir supplies will be lost as a result of these regulations. The impact on groundwater withdrawals will be more site specific but is expected to range from no impact to complete summer withdrawal prohibitions.

Water supply systems such as in Mystic and Litchfield will be forced into supply deficits and systems with adequate supplies such as Greenwich, Stamford, Darien and New Canaan will be left with barely enough water to meet current demands and unable to provide for the growth for which these communities are planning. Furthermore, systems such as our Greater Bridgeport system, which currently has excess supply and is looked to by Aquarion and others, including the State Department of Public Health, to help solve water supply problems throughout the region, will be forced to develop new supplies just

to meet local needs. The pace, and potentially the extent, of economic development in Fairfield County will need to be controlled due to the lack of available water supply.

Will there be enough water available to provide for the public water supply needs of our State after these regulations are finalized and, if so, where will it come from? Shouldn't we know the answers to these questions before finalizing these streamflow regulations?

In addition to the loss of water available to serve residents, businesses and economic development throughout the State, the proposed regulations will have a real and significant impact on the cost of public water supply. Aquarion has estimated that we will need to invest approximately \$100 million (equivalent to approximately 3 years of total capital spending) in the facilities necessary to comply with the proposed regulations. This means that investment will be diverted from other water quality and infrastructure improvement needs. If applied evenly across the board this investment would result in an incremental rate increase of approximately 10% at a time when personal and municipal budgets can least afford to pay for it.

I want to make it clear that our over-riding concerns regarding the proposed regulations are our ability to meet our public service obligation to the communities which we serve and the rates that we will be required to charge our customers.

In conclusion, Aquarion understands the need to protect the flow in Connecticut's rivers and streams and to promote more efficient management of the State's water supplies. However, this should not be done without fully understanding and accepting the public water supply costs and balancing them against the ecological benefits. These proposed regulations should be withdrawn and the agency staff and workgroups that have worked so hard to develop them to this point should be asked to continue to improve them. Before new regulations are proposed DEP should document the expected ecological benefits and the Department of Public Health, the agency responsible for ensuring the purity and adequacy of public water supply, should document the water supply planning implications so that we can all ensure and demonstrate to the legislature that we have met their intent for balancing in-stream and out-of-stream water uses and adequately providing for public water supply.

Thank you for your time and consideration. Aquarion looks forward to continued working with the Department to improve these proposed regulations and will provide more detailed written testimony to the hearing officer by February 4th.